



A Palestinian waves as a missile is fired at Israeli positions in the outskirts of Beirut.

French Franc Devalued In Realignment of EMS

By Carl Gewirtz

International Herald Tribune
PARIS — The French franc has been devalued within the European Monetary System, triggering changes intended to ease tensions between the stronger and weaker currencies in the monetary bloc.

Meeting in Brussels on Saturday, finance ministers of the eight EMS countries devalued the French franc by 5.75 percent and the Italian lira by 2.75 percent. West Germany and the Netherlands raised the value of their currencies by 4.25 percent.

The franc will thus decline by 10 percent against the Deutsche mark and the guinea, and the lira will decline 7 percent. The revaluation of the mark and the guinea gives added breathing space to the Belgian-Luxembourg franc, the Danish krone and the Irish pound, whose parities were not changed.

The French government accompanied the latest cut with measures aimed to reduce the rate of inflation, now running at a 14-percent annual rate, to below 10 percent by the end of October. By contrast, the annual rate in West Germany is about 5.4 percent.

Wage-Price Freeze

The measures announced in Paris on Sunday include a four-month freeze on wages and prices and a promise to hold the budget deficit to 3 percent of gross domestic product by eliminating the current 1.1-billion-franc deficit in the social security budget and other spending cuts.

Finance Minister Jacques Delors of France said the 1983 budget deficit would be held to 1.2 billion francs.

The wage freeze was expected to cause difficulty with the Communist Party, junior members in the government.

There is no mechanical link between the EMS values and the value of individual European currencies against the dollar so that bankers were reluctant to predict where the mark and the franc would trade when markets open Monday.

They predicted that the markets would be more preoccupied with the ramifications of the death of King Khalid of Saudi Arabia than with the EMS changes.

After the Brussels meeting, Mr. Delors estimated that the franc would trade at around 6.50 to the dollar. On Friday, the franc was traded at 6.30 to the dollar.

On Sunday, Mr. Delors estimated the real value of the mark at 2.05 to 2.20 to the dollar. The



Jacques Delors

would be reached with labor and industry on future increases.

Prime Minister Pierre Mauroy said the devaluation offers French industry "additional possibilities to reconquer the domestic market and develop their exports."

France is running a monthly trade deficit of about 20 billion francs with West Germany, France's largest single customer and supplier, and 11 billion francs with Japan. The devaluation will increase the cost of these imports to French consumers and presumably discourage foreign purchases. The devaluation will enhance price competitiveness of French goods abroad, especially where France is competing against West Germany.

However, West Germany's finance minister, Manfred Lehmann, was quoted in radio reports as saying he believed West German exporters would be able to cope with the parity changes. He said he hoped the moves would create greater economic stability in Europe.

The French government's program represents an important redirection of policy. Up to now, France, alone among the major industrialized states, has emphasized fighting unemployment over the fight against inflation. It has tried to boost domestic consumption and force-feed an economic recovery. But instead of creating a boom for domestic industry, the plan set off an import splurge helping to boost production in neighboring countries, especially West Germany.

The French hope that the EMS realignment will reduce pressure on the Deutsche mark against the dollar and permit the West Germans to lower domestic interest rates, which would help to fuel an economic recovery in Germany and eventually the rest of the Common Market.

The high level of U.S. interest rates, which has forced West Europeans to keep their rates high to minimize the outflow of interest-sensitive money from their own countries and thus protect their exchange rates against the dollar, helped stifle any chance for an economic revival in Europe.

France's attempt to stand alone was not only impossible, it was also costly. Anticipating what was widely regarded as an inevitable devaluation of the franc fuelled speculation on the markets that cost France about 21 billion francs in intervention. The reserves of the Bank of France are estimated to have declined from 37 billion francs at the beginning of March to 16 billion francs.

Repeated Calls for Diplomacy

But in a series of messages at a meeting with church authorities the mass and at Buenos Aires Ezeiza Airport, he called on Britain and Argentina to seek a diplomatic solution to the conflict.

"Let there be no hesitation in seeking solutions to save the honor of both sides and reestablish

peace," he said before boarding his plane.

After he returned to Rome on Sunday, the pope said he continued "to hope against hope" for an end to the fighting in the South Atlantic. The Associated Press reported.

[Calling his voyage "beautiful but insufficient," the pontiff said he was also ready to fly to Lebanon, which has a large Christian population. "If I can be useful... But there must be elements to al-

low this."]

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Great Britain, who on recent days have applauded with equal sensitivity every invitation to peace and harmony," he said. "Let no hatred with the generous energy and the capacity of understanding we all carry inside."

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tinia.

Pope Ends Visit to Argentina With Prayer for End to War

By Jackson Dichl
Washington Post Service

BUENOS AIRES — Pope John Paul II, saying he had seen in Argentina "the fervent pleading for peace," prayed here for an end to Argentina's war with Britain over the South Atlantic. The Associated Press reported.

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"Let there be no hesitation in seeking solutions to save the honor of both sides and reestablish

that preserved Argentina's claim to the Falkland Islands.

Now, with the pope, we can win the war," said a woman after hearing his homily at Palermo Park.

The pope, speaking Spanish throughout his visit, urged church authorities to seek union with "your bishop brethren" in Britain. For the second time in his visit, he reminded church leaders that patriotism must be tempered by religious unity.

At Palermo Park, the pope followed a somber homily on suffering

Friday at the national religious shrine of Lujan with a message focusing on the redemptive powers of Christ. He stressed that Christ's body and blood "bear death and at the same time life."

Then, looking over the crowd, John Paul called on Argentine

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British Troops Penetrate Lines Around Stanley

Compiled by Our Staff From Dispatches

LONDON — British troops Sunday were digging into new positions close to the Argentine garrison at Stanley, as Argentina's military high command acknowledged that a force of 4,500 men had penetrated the defense ring around the capital.

British military sources said the commander of British troops was consolidating his position, having overrun Argentine outposts in an attack before dawn Saturday.

A counterattack from the 7,000-strong Argentine garrison was expected, the sources said, adding that the British now had control of the high ground overlooking Stanley and could thus dictate the pace of battle.

"We now firmly hold Mount Longdon, Two Sisters, and Mount Harriet, all of which dominate the ground west of Stanley," Defense Secretary John Nott said. Four hundred prisoners were taken and considerable quantities of equipment, including mortars and anti-tank weapons, were seized, he said.

The defense secretary also said that nine sailors were killed and 17 injured in an air attack on the Royal Navy cruiser, Glamorgan, which was hit by gunfire during the weekend bombardment and land attack. The destroyer sustained some damage but remained operational, the minister added.

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INSIDE

After some early stumbles, President Reagan recovered in the final half of his European journey and largely accomplished his goal of reassuring the nations he visited that he is not the sort of man who would lead the alliance into war. But he also raised doubts about his mastery of detail.

News Analysis, Page 5.

■ Belgium upset defending champion Argentina, 1-0, in the opening match of the 1982 World Cup soccer championship. Erwin Vandenberghe scored the goal. Page 15.

■ Governmental restrictions on reporters have kept the public from getting full and objective reports about the fighting in Lebanon, in the Falkland Islands and along the Iran-Iraq border. Page 3.

■ The party that has ruled the Indian Ocean island democracy of Mauritius since independence 14 years ago was routed so completely in elections that it was left with not a single seat in Parliament. The vote brought to power a party that was pledged to limit nationalization. Page 6.

Saudi King Khaled Dies; Fahd Is Successor

Compiled by Our Staff From Dispatches

RIYADH — King Khalid, 69, of Saudi Arabia, who reigned for seven years, died Sunday of a heart attack.

He was immediately succeeded by Crown Prince Fahd, his half-brother.

Diplomatic sources said King Khalid died in the mountain resort town of Taif. He had suffered from a heart ailment for many years and had undergone open heart surgery in Cleveland in 1972.

King Khalid was the fourth king of Saudi Arabia's Wahhabi dynasty. Despite ill health and a temperament more suited to life in the desert than on the throne, King Khalid worked quietly to impose his stamp of authority on the country.

Born in 1913 — neither the month nor the year was recorded — in Riyadh, then little more than an oasis, he was the fifth son of King Saud, a chieftain who unified the desert tribes and coastal principalities in the 1920s and became the founding king of Saudi Arabia. King Saud had 40 sons among his 106 children.

King Khalid's mother, one of King Saud's 300 wives — never more than four at a time, in accord

with Islamic law — was Aljunayr Bint Mousa, a member of the influential Jilwi clan. King Khalid had a strict Moslem upbringing and retained a deep religious faith.

King Khalid was thrust into power on March 25, 1975, an hour after his half-brother, King Faisal, was assassinated by mentally

deranged nephew. But the new king, having been named crown prince in 1965, knew for 10 years he was destined for the throne.

He never seemed anxious to assert himself and play a decisive role in maintaining a balance within the royal family between the crown prince's Sudri clan, the full brothers who are sons of King Abdul Aziz, and the half-brothers whose power lies in the eastern provinces.

It was King Khalid who smoothed tempers and kept clan and country on an even course.

Following the 1979 Egyptian-Israeli peace treaty, King Khalid an-

nounced that his country remained committed to the liberation of Jerusalem. Like King Faisal, King Khalid said he dreamed of the day when he could pray in the Al Aksa mosque in Jerusalem.

In 1976, King Khalid was instrumental in organizing a reconciliation conference in Riyadh that led to the formation of a 30,000-man Arab League force to keep peace in Lebanon.

Ill health plagued him for years. A heart attack in 1970 was the first serious blow and it forced him to curtail his activities. Doctors from the United States frequently visited Saudi Arabia to treat the king, who also suffered from a hip problem that required surgery in London in 1976.

One official described him as a figure for the tribal Saudis. King Khalid married his only wife in 1949. He was the father of eight children.

Asked once if the vast oil wealth of Saudi Arabia would damage the social and religious traditions of the kingdom, King Khalid said: "We find that Islam meets all the requirements of society, whether politically, economically, or social-



King Fahd

Along With Army, Israel Moves Administrators Into South Lebanon

By Edward Cody
Washington Post Service

METULLA, Israel — In addition to moving vast amounts of weaponry into Lebanon, Israel is also sending experienced civilian and military administrators from the West Bank and Gaza Strip to run civilian affairs in the southern portion of the country for a long period if necessary, according to Israeli military sources.

The Israeli Army has appointed "military coordinators" for the captured cities of Tyre and Sidon to care for thousands of Lebanese civilians whose lives have been thrown into turmoil by the Israeli sweep.

Both coastal towns were heavily damaged during the Israeli as-

saults in which they were captured from Palestine Liberation Organization guerrillas who had been administering them through sympathetic local Lebanese civil officers and Moslem militias.

To aid its military coordinators, the Israeli Defense Ministry is transferring specialists from territories occupied by Israel since the 1967 Middle East war, the Israeli military sources said. Their jobs include control of the civilian population and searches for guerrillas in hiding, as well as organization of civilian facilities such as water and food distribution.

"Since 1967, we have had a lot of experience in this field, and we're putting it to use," a military source said.

The Israeli occupation in Lebanon, observed during a drive Thursday from the border to Sidon and back and described by Israeli military sources, reflects a determination to keep Israeli troops in Lebanon to pursue and destroy Palestinian guerrillas during what are expected to be protracted diplomatic contacts for a settlement.

"We will not leave one stone unturned," the Israeli chief of staff, Maj. Gen. Rafael Eitan, said Friday. "It may take a long time."

Israeli military intelligence estimates that between 15,000 and 16,000 armed guerrillas were in Lebanon before last Sunday's invasion, about 6,000 of them in Beirut. These figures tally with the most reliable estimates in Beirut.

To root out the guerrillas remaining in the occupied portion of Lebanon, Israeli forces are conducting what would be described in English as "mopping up operations." The Hebrew word Israeli

officers use to describe the operations means "purification."

Israeli administrators from the West Bank have long years of experience doing this sort of work, the sources said. They conducted similar searches after Israel captured that territory from Jordan and Palestinian guerrillas mounted infiltration raids across the Jordan River in 1968 and 1969, often hiding in hills and caves around the West Bank similar to those in Lebanon.

Israeli soldiers, backed by tanks and armored personnel carriers, and frequent checkpoints along most of the shell-pocked roads that traverse southern Lebanon. They stop cars, many flying white flags from antennas, and demand Lebanese identity cards of all civilians.

Since Sunday, when the operation began, the Israeli Army has announced that it has killed about 500 guerrillas, which it always refers to as "terrorists." This figure presumably has grown in the most recent fighting.

Several thousand guerrillas are believed to be still in the area under Israeli control, in hiding or posing as civilians in an attempt to escape capture. Others have fled northward to join their comrades in Beirut, Israeli military sources said.

Unfriendly interrogation awaits those who do not have them.

Hillsides bristle with radio relay equipment. The skeleton of a military communications network covers the occupied territory — stretching from the border to a line eastward from the southern Beirut suburbs to Israeli positions in eastern Lebanon just south of the main Beirut-to-Damascus highway.

Israel has not disclosed casualty figures among the civilians. The Lebanese Red Cross, according to radio reports from Lebanon, estimated that 1,000 people were killed and 3,000 wounded in the battle for Sidon and the Israeli bombardment and shelling that preceded it.

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U.S. Seeks a Long-Range Answer To the Problems Facing Lebanon

By Bernard Gwertzman
New York Times Service

WASHINGTON — The Reagan administration has apparently decided to make the best out of Israel's military actions in Lebanon by trying to translate them into a long-term political solution for that country.

In part, State Department officials said, this course was dictated when Prime Minister Menachem Begin informed President Reagan on Thursday that he would agree to a cease-fire but would not pull out Israeli forces until certain conditions were met — the creation of a Lebanese government free of Syrian and Palestine Liberation Organization pressure and the ending of the use of Lebanon as a military base for attacks on Israel.

Officials said Middle East experts advised Secretary of State Alexander M. Haig Jr. that because of Mr. Begin's adamancy, there was no way the United States could bring about an Israeli withdrawal except as an element in an overall settlement of the Lebanese crisis.

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As a result, the administration decided to welcome Israel's announcement Friday of a cease-fire and not to make an issue of Israel's refusal to accept a UN Security Council demand for an immediate withdrawal.

It is anticipated, they said, that there will have to be a prolonged period of negotiations involving the United States, Israel, Syria, the Lebanese authorities and political factions, and Saudi Arabia before a formula can be found for resolving the crisis.

Israel View Shared

They said it is inevitable that there will be differences between the United States and Israel once the negotiations begin. But officials said that despite Washington's unhappiness with Israel's invasion, the United States shares Israel's view that there should not be a return to the situation in which the central government in Beirut had no control over the PLO forces, the Syrians and sectarian armies in Lebanon.

In fact, officials said, the United States was already moving through peaceful means to change the situation when the Israelis struck. Mr. Haig, in his Middle East policy speech on May 26, had announced that the United States was giving priority to ending Lebanon's political deterioration.

The United States has been trying without success since the Lebanese civil war began in 1975 to strengthen the central government and to reduce the PLO and Syrian roles in the country. Middle East specialists suggest now, however, that the Israeli invasion may have so unsettled the situation that some new initiatives, as yet undetermined, may succeed.

Administration officials said that one indirect result of the Lebanese crisis may be that it will give Iraq a face-saving way to end its war with Iran by allowing it to pull its troops out of Iran while citing a threat from Israel.

On the one hand, it joined in voting for the Security Council resolutions calling for an immediate cease-fire and Israeli withdrawal. But with Philip C. Habib, the special U.S. peace envoy, on his way to the region, the administration refused to condemn the Israeli actions because Mr. Habib feared it would make his talks with Mr. Begin impossible.

Moreover, Mr. Haig made it clear that he did not quarrel with Israel's concerns about the growing PLO strength on its northern borders.

When the conflict expanded to clashes between Israeli and Syrian forces, the administration started to worry that the Soviet Union might become involved on the side of its Syrian ally. Mr. Reagan, in his messages to Mr. Begin urging a cease-fire, referred to a note he had received from Leonid I. Brezhnev, the Soviet leader, expressing concern over the Lebanese crisis.

But Mr. Brezhnev's message had the effect, officials said, of making an U.S. public rebuke of Israel even less likely. One State Department official said the administration does not believe in quarreling openly with a friendly government. In addition, he said, the administration will not criticize Israel when the Soviet Union is also doing so.

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The Associated Press
Israel has sent Israeli-made Merkava tanks into combat for the first time as part of its invasion of Lebanon. Here a Merkava rolled down a street in Nabatiye, near the UN buffer zone.

Mideast Casualty List Includes Soviet Tanks

By Michael Getler
Washington Post Service

WASHINGTON — The list of Soviet-made weapons that have become casualties of the fighting in Lebanon appears to be growing.

On Friday, Defense Minister Ariel Sharon of Israel announced that new Israeli-made Merkava tanks had knocked out nine of the Soviet Union's latest T-72 medium

tanks in battles with Syrian forces.

The T-72 is the latest Soviet main battle tank. Several thousand are in service with Soviet forces and smaller numbers are in service with Soviet allies in Eastern Europe and other regions, including about 400 in the Syrian Army.

Mr. Sharon claimed that the battle showed the supremacy of the Merkava, which is equipped with a U.S. 105-mm gun, "over what had been thought of as the best tank in existence."

U.S. specialists said that it was far too early to evaluate such a claim because the circumstances of the battle were not known. The extent of training of the Syrian crews and of Israeli losses also were not known in Washington.

Nevertheless, this was believed to be the first combat test of the T-72, and specialists said analysis of the results could be especially important for North Atlantic Treaty Organization forces.

The T-72 is supposed to be protected by improved armor.

The loss of the tanks by Syria could become a prize for Western intelligence agencies if the Israelis manage to recover the vehicles and let U.S. specialists inspect them. The Israelis captured hundreds of older Soviet T-52 tanks during the 1973 Middle East war, and they provided valuable information for allies.

Soviet-built MiG-21 and MiG-23 jet fighters and SAM-2 and SAM-6 surface-to-air missiles used by the Syrians also were knocked out in large numbers, according to Israeli reports that are generally confirmed in Washington.

The Palangist Voice of Lebanon, a Beirut radio station, reported that the first contingent of Iranian soldiers, a 300-man force, had arrived in Syria and crossed into Lebanon to help the Palestinians.

The civilians will be under the leadership of rightist Christian militia leader Maj. Saad Haddad, whose "Free Lebanon" enclave along the Israeli-Lebanese border will be extended north to the Zahran River, said the officer, who was not identified.

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Thatcher Appears Decided to Plan For Long-Term Falklands Defense

By Leonard Downie Jr.
Washington Post Service

LONDON — Turning aside advice from the Reagan administration and her own Foreign Office, Prime Minister Margaret Thatcher appears determined to turn the Falkland Islands into a British-defended fortress if they are recaptured from Argentina.

After already having spent about \$2 billion in the war to regain the islands, Mrs. Thatcher is considering long-term defensive measures that could cost \$500 million a year.

Although she has insisted that she still hopes to persuade the United States and some Latin American countries to join in a security arrangement for the Falklands, Mrs. Thatcher has made it clear that she otherwise intends for Britain to take sole responsibility for their defense. She has ruled out of her plans negotiations to give Argentina any say in the future of the islands.

She has talked about guarding the islands with warships and submarines, anti-aircraft missile systems, and jet fighters and bombers using an extended runway at Stanley Airport.

"It will mean that we will have to make a number of considerable expenditures," Mrs. Thatcher said

last week. "Freedom is expensive to defend. It is worth defending."

Military analysts in London said this would mean leaving a garrison of 3,000 soldiers or more on the Falklands, protected by Phantom fighter-bombers, Rapier anti-aircraft missiles, radar planes, transport aircraft, combat and transport helicopters, several warships and one or two nuclear-powered submarines.

They estimated that this would cost at least \$200 million a year more than the normal cost of maintaining the resources elsewhere in the British military.

Effect on NATO

It could also mean removing troops, planes, ships and armaments from NATO defense roles in the North Atlantic, mainland Britain and possibly West Germany. To replace them instead would increase the annual bill to about \$500 million, the analysts estimated. More money also would have to be spent on necessary improvements, such as lengthening the Stanley Airport runway.

British government sources estimated that it has already cost nearly \$1 billion for the fuel, ammunition, ship requisitions and other expenses of fighting the Falklands war. This does not include the amount that would have been

spent to pay the troops involved and maintain their equipment.

The ships, planes and other equipment that have been lost in the fighting so far have added at least another \$1 billion to the bill, according to these sources. This brought the total to about \$2 billion before the start of the fighting around Stanley this weekend.

British officials have insisted that the costs of the war can be absorbed by a large contingency fund in the government's budget. If more money is needed, they have said, taxes would be raised to avoid damaging Mrs. Thatcher's efforts to hold down budget deficits and government borrowing. It already appears that the war may prevent the government from making intended income tax cuts next year.

Mrs. Thatcher has also indicated that she is willing to spend sizable sums of money developing the Falklands economy and attracting new settlers there before offering the inhabitants some form of British-protected self-government.

A large British military garrison that would triple the population of about 1,800 would have a major economic and social impact on the Falklands.

New barracks, hangars, docks and roads would have to be built



HOMEWARD BOUND — Captains David Hart-Dyke of the Coventry, left, Alan West of the Ardent and Nick Tobin of the Antelope were among the 700 British sailors who arrived in Southampton Friday from the Falkland Islands aboard the Queen Elizabeth 2. The Coventry, Ardent and Antelope were three of the British ships that were sunk in Argentine air attacks.

for the troops, and Mrs. Thatcher has promised to rebuild the islanders' homes after the war.

She also has begun emphasizing the strategic importance of the Falklands and the British dependencies of South Georgia and South Sandwich to the southeast, on sea

routes to Antarctica and around South America.

Labor Wants Trusteeship

LONDON (UPI) — Denis Healey, the opposition Labor Party's foreign policy spokesman, said

Sunday that Britain should hand over the Falkland Islands to a trusteeship under the United Nations once they are recaptured.

Mr. Healey said the trusteeship should involve the United States and several Latin American countries.

Censorship, Military Restrictions Limit News From the War Fronts

By Jonathan Friendly
New York Times Service

NEW YORK — Governments' restrictions on reporters, including the denial of access to battle areas and censorship of dispatches and pictures, has kept the public from getting full and objective reports about the fighting in Lebanon, in the Falkland Islands and along the Iranian-Iraqi border.

Officials say the restrictions on such information as the progress of a battle or the extent of civilian and military casualties are required for security reasons. Readers and viewers in Western societies, however, have come to expect such information.

In interviews, executives of news organizations in the United States said they were not surprised that Iran and Iraq kept correspondents from the battlefield, but that they were taken aback by the actions of Britain and Israel, two democracies with traditions of relatively open access to information.

"They said the restrictions on reporters added to the already complicated process of gathering news at a time when three wars were being waged simultaneously."

The only reporters allowed to accompany the British fleet are British, and their dispatches are subject to military censorship and must move through military communications channels.

Argentina also has not permitted any foreign reporters on the islands. Formal military briefings for foreign reporters began in Buenos Aires only last week.

Reporters Barred

Israel, departing from its practice in previous wars, including the 1978 invasion of Lebanon, has effectively barred foreign reporters from its side of the battlefront until well after the fighting is over. Correspondents say Israel has intensified its review of dispatches that deal with military or security matters.

Newspaper and news agency editors, and officials of television networks said their reporters in Lebanon were able to get within sight of some action from the Arab side, so that the coverage problem there was less severe than that found in the Falklands fighting.

Karen DeYoung, foreign editor of The Washington

Post, said the primary effect of being denied battlefield access in Lebanon is that "we don't have a good fix on the number of prisoners or the number of casualties."

Balance Needed

Craig R. Whitney, foreign editor of The New York Times, said: "We have no idea at all how much damage has been done or what has happened to all those thousands of people" who had been living in the Lebanon territory that Israeli troops seized.

The editors all said they were conscious of a need to balance conflicting accounts of fighting, not just in the Middle East or the Falklands but also in Afghanistan, where the only information comes from guerrillas and is smuggled across the border or in secondhand accounts from diplomatic sources, and in El Salvador, where reporters have had considerable access to the government and less to the guerrillas.

Nate Polowetzky, foreign editor of The Associated Press, said: "You have to report what they are saying, what they are claiming. Then you have to show it might be propaganda."

Richard O'Mara, foreign editor of The Baltimore Sun, said Argentina's reluctance to say anything for most of the last two months had created "an imbalance in coverage."

He said, for example, that his reporter in Buenos Aires felt that the Western press had been too ready to accept British claims that it could take the capital, Stanley, when the 12-day halt in British operations tended to support the Argentine claim that the attack was stalled.

In 1973 and 1978, the Israelis not only allowed correspondents to go to the battlefronts, but also provided frequent briefings by ranking military officers. Last week, they waited until Thursday before setting up a communications center for such briefings.

Israeli officials said privately the restrictions had been imposed for at least one strictly military reason: to avoid revealing data the Palestine Liberation Organization could not get without a sophisticated intelligence capability. But they also said that graphic battlefield accounts could have increased international pressure for a cease-fire.

Turkey Moves With Deliberation On Coastal Road to Soviet Union

By Marvin Howe
New York Times Service

ANKARA, Turkey — Earth-moving machines are busy leveling the unfinished coastal road to the Soviet border, just nine miles away, and the residents in this Black Sea port hope that its completion next year will mean the opening of the Turk-Soviet border to trade and travel.

"Everybody wants to open the door," says a Hopa businessman who would like to sell tangierines to the Russians. "The Russians will take our fruits and vegetables and anything else we have to sell them."

"The Soviet Union has finished one side of the coastal road and even built a customs house, but Turkish authorities decline to predict when their road will be completed since that is a political decision."

"There is an old road from Hopa to the border village of Sarpi, but it is narrow and winds around rugged cliffs, takes twice as long to travel as the new road — and would not be of much use to an invading army."

"Although the Turks have a long history of conflict with the Rus-

sians, who occupied a large northeastern section of the country as late as 1917, the residents of Hopa hold the firm belief that if there were an invasion it would be a Western problem, not a Turkish problem."

At a bend in the new road, it is possible to see the Soviet port of Batumi and the divided border town, which is called Sarpi on the Soviet side and Sarp on the Turkish side.

Long Wait to Leave

It is difficult for young people to get permission to leave the Soviet Union to join their families in Turkey, said a Turk who has relatives in Sarpi. On the other hand, old people can usually leave if they wait five or six years for permission, he said.

The Russians are due back in Hopa soon for talks. They always show up in a group of eight, sometimes laden with gifts such as vodka. In return, it is said, the most precious gifts the citizens of Hopa can offer are nylon stockings and bars of soap.

While the people of Hopa are waiting for the border to open, they can trade with Iran, about 300 rugged miles away.

A Turkish journalist, Bulent Eskim, visited Sarpi but reported he was constantly accompanied by

U.S. Said to Bar Russia From Deep-Sea Project

By Walter Sullivan
New York Times Service

NEW YORK — The Soviet Union, reportedly on orders from the White House, is not being invited to continue to participate in a highly successful international deep-sea drilling project.

While Americans involved in the project expressed dismay at the loss of Soviet participation, they were unwilling to do so on the record.

The Soviet Union, which has been involved in the project for nine years, was originally invited to join it as a result of a 1972 agreement on Soviet-American cooperation in science and technology. A similar agreement involving cooperation in space has not been renewed by the United States.

One effect of the latest decision may be to increase the American financial burden in the Deep Sea Drilling Project. The Russians, like other non-American participants, paid dues, but the United States carries the chief financial load through financing by the National Science Foundation.

The Russians were the first non-Americans to join the project. Britain, France, Japan and West Ger-

many then followed suit. Initially each contributed \$1 million annually, but the dues have doubled and may rise to \$3 million if it is decided to convert the huge Glomar Explorer into a drilling ship.

From its outset, the project has been centered on another ship, the Glomar Challenger. By drilling several hundred holes deep into the floors of all the world's oceans, that ship has obtained evidence on the histories of oceanic basins, the life that inhabited them, the movements of continents and changes in climate.

Project officials are now considering whether to spend up to \$70 million to convert the Glomar Explorer so that she can explore deeper reaches of the ocean. As a decision nears, efforts are being made to recruit other foreign participants.

Among the proposals discussed was the banding together of smaller countries, such as those in Scandinavia, to form a consortium that would pay a single membership fee. The present contract for use of the Glomar Challenger expires in September, 1983, and one proposal is to suspend its operations in a two-year period while the Glomar Explorer is converted.

In late March guerrillas fought for five days in the city of Usulután, the country's fourth largest, and they have again seized Perquin, the second largest city in the eastern province of Morazan, which they held for nine days last August.

For the most part, the war has moved out of the major cities. The police still patrol with automatic weapons.

Assessing the strength, ability and morale of the guerrillas is difficult since reporters have had only rare opportunities to cover the war from their side. But, like the government soldiers, they have gained considerable combat experience and appear to be stronger than they were 18 months ago.

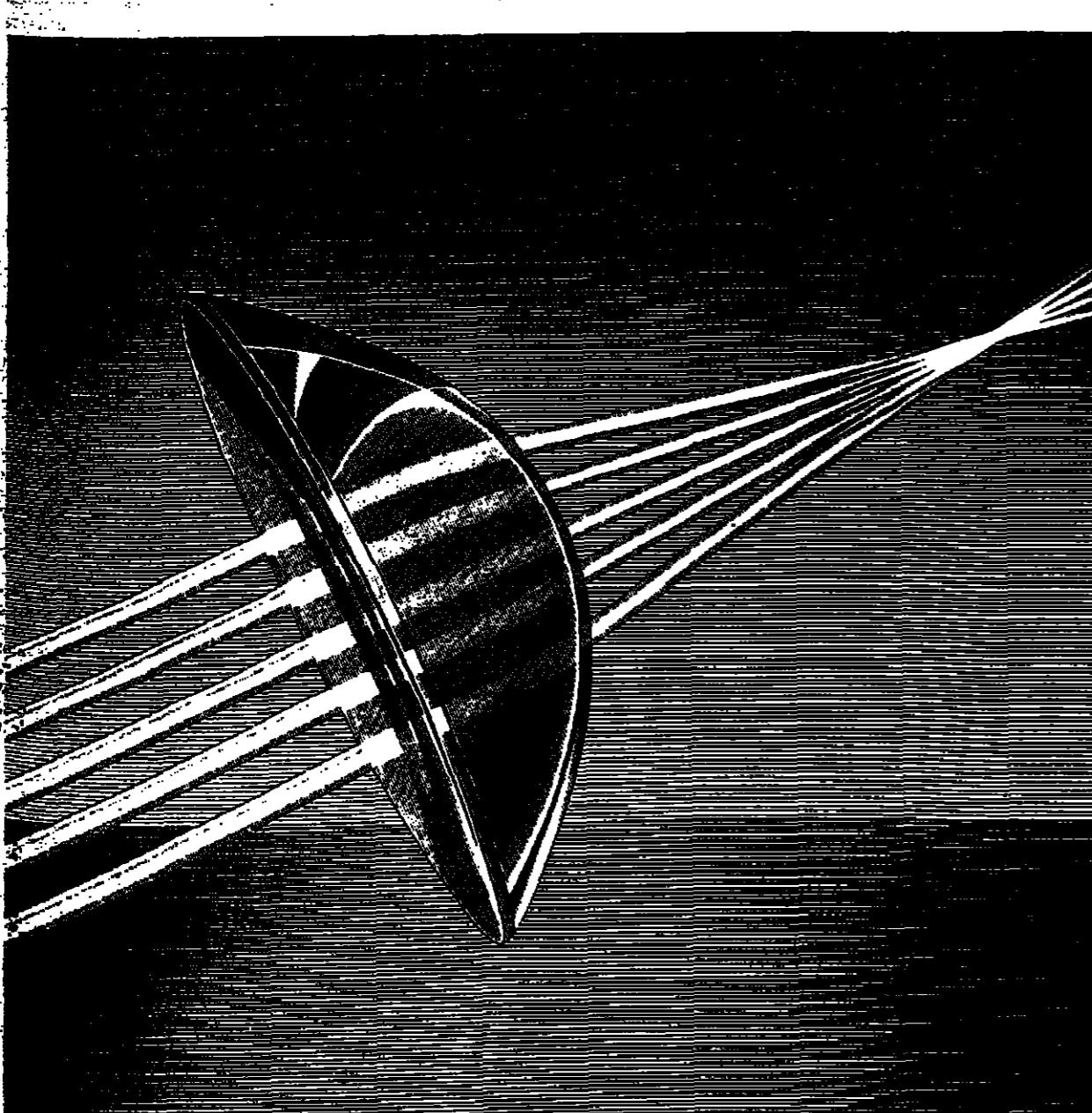
In significant parts of the provinces of Morazan, Usulután, Cabanas, San Vicente and Chalatenango, a revolutionary society functions except when the army attacks.

In the reform program had been designed to give small plots to poor farmers, many of whom had been renting and working the land for years.

Now, however, there is disagreement about exactly what El Salvador's Constituent Assembly did in changing the third phase of the program.

Mr. Hinton denied that any part of it has been suspended, contending that the Constituent Assembly had merely removed the program's prohibition on renting four types of crop land. He pictured the action as justified to keep that country's economy going.

However, under questioning he conceded that land reform is in jeopardy because of opposition from big landowners with friends in the new government, and he acknowledged that the assembly's action "creates a new element of uncertainty" about the program.



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In First Combat Test, U.S.-Trained Units Kill 135 Salvadoran Rebels

By Raymond Bonner
New York Times Service

SAN SALVADOR — The Salvadoran soldiers who recently completed training in the United States have taken part in their first combat operation, a search-and-destroy mission in mountainous regions of Chalatenango province in which the army says 135 rebels were killed.

The operation was the largest of the 24-year-old war, involving at least 3,000 men from three battalions, plus artillery and air support.

The 960 young soldiers of the Ramón Belloso Battalion returned early in May after 16 weeks of training at Fort Bragg, N.C. Also back are about 500 cadets aged 17 to 20 who attended officer training school at Fort Benning, Ga.

Taking part in the operation with the Belloso soldiers were the Alcalá Battalion, which was trained in counterinsurgency by the approximately 50 American advisers here, and the Atonal Battalion, which is receiving similar training.

Rebels Say 600 Killed

Veneros, the rebels' clandestine radio station, has said that 600 civilians were killed by government soldiers in the operation in Chalatenango, a rebel stronghold in the north of the country.

At a news conference Wednesday to discuss the operation, Col. Domingo Monterrosa said he did not know how many of the 135 rebels were actually combatants. He acknowledged that "some were unarmed, including some women." Three government soldiers were killed and 20 wounded, according to Col. Monterrosa.

The Salvadoran Army has conducted 15 major sweep-and-draw operations. They have not been particularly successful, and a Western analyst said recently that U.S. advisers had sought to convince the Salvadorans "that a five-man patrol has a higher survival rate than a 40-man patrol."

Government casualties are rising. There were 801 soldiers killed in 1981, according to El Proceso, a weekly publication of the private University of Central America. In the first quarter of this year, the toll was 467. In April, 202 soldiers were reported killed in action, one of the highest monthly totals since the guerrillas launched a nationwide offensive in January, 1981.

Long Fight Ahead

Even with the increased American arms, money and training, a military defeat of the guerrillas is at least two years away, according to many familiar with the military situation here. On the other side, the insurgents are reconciled to a war that will not bring them victory for three to five years, according to some of their leaders.

Assessing the strength, ability and morale of the guerrillas is difficult since reporters have had only rare opportunities to cover the war from their side. But, like the government soldiers, they have gained considerable combat experience and appear to be stronger than they were 18 months ago.

In significant parts of the provinces of Morazan, Usulután, Cabanas, San Vicente and Chalatenango, a revolutionary society functions except when the army attacks.

In late March guerrillas fought for five days in the city of Usulután, the country's fourth largest, and they have again seized Perquin, the second largest city in the eastern province of Morazan, which they held for nine days last August.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Lebanon for Lebanese

Israeli troops and American weapons have created another "new fact" in the Middle East and there is no point wailing about what might have been. Arrogantly, perhaps foolishly, the Israelis believe they can by force create the stable environment that history has denied them. Every battle creates imperatives for more battle, but the Israelis pursue a tough logic. Like it or not, their policy can be deterred only with better policy.

In Lebanon, the world has left the Israelis to their own devices.

After a decade of civil war, Syrian occupation, Palestinian agitation and Israeli intervention, there was no more Lebanon. Its Christian-Moslem society had collapsed, leaving a feudal array of private armies and a battleground on a once-peaceful southern frontier. The civil war was ignited by the arrival of militant Palestinians after they failed, in their 1970 "Black September," to seize Jordan. To prevent a total PLO takeover, and to stake its own claim to Lebanon, Syria thrust in its army and tried, in cynical coordination with Israel, to rule the ruins.

It did not work, because no one dared to challenge the dynamic Palestinians. They carved out many enclaves to build a state within the Lebanese non-state. Recruiting among Palestinian refugees, the PLO built its guerrilla forces into what began to resemble a regular army, with artillery, tanks and rockets from Libya and Russia.

Israel tried smashing these concentrations from the air, with occasional ground assaults

and with military aid to various Christian armies. But when helping the Christians threatened Syria's sway, Israel and Syria fell to contesting the air. Hence last summer's crisis over Syria's anti-aircraft missiles and the American-sponsored Israeli-PLO cease-fire. But the PLO buildup continued while no one produced even a plan to revive Lebanon. So now the Israelis offer theirs, violently.

One need not approve every facet of Israel's policy to see the opportunity it creates. A more forthcoming posture toward the West Bank Palestinians would give Israel a more compelling moral case. But the peace of Lebanon is also a moral issue whose worldwide recognition merely hardened Israel's resolve.

Only now are the warring Christian and Moslem armies of Lebanon suddenly offering to pull together to reclaim their land. Only now are Lebanon's leaders emboldened to speak of Syria as well as Israel withdrawals. Israel asks a great deal to be seen as its neighbor's liberator, but such a liberation is in the interest of both countries, and also of America, for it could bring peace to another one of Israel's borders.

The Palestinian problem will not be blown away like so many PLO strongholds. But neither will a Palestinian home ever be built in the rubble of Lebanon. Behind the universal demand for Israel's withdrawal lies the open question of what it should leave behind. The world's answer should be not the PLO, not Syria, and not chaos, but a Lebanon.

THE NEW YORK TIMES

With a cease-fire in place in Lebanon, the sorting out of the latest Middle East crisis can begin. The first item on the agenda must be Lebanon. For 10 years, and rarely more cruelly than in the last week, its neighbors have been crashing through its house. Now with the Syrians and the PLO battered and Israel ascendant and prepared to bargain its new presence down, there may be an opening to assist the Lebanese to set their house right. Rehabilitation must go forward, and Lebanon's destiny must be returned to Lebanese hands. This means a government that is respectful of Israel's anti-terrorist interests but is not an Israeli puppet.

Some confusing currents are running. In Washington there is understanding of Israeli security requirements but a quiet shock verging on anger concerning the ferocity of Israel's attack, the evident expansion of its goals as the week wore on and the way it took advantage of President Reagan's distraction in Europe and of his initial tendency to indulge Israel on the basis of its claim simply to be securing its border. In other capitals there may be a mean resistance to the idea of reviving Lebanon on grounds that Israel will profit from it by gaining a good neighbor and some respite from terror, and that Syria and the PLO will lose in pride and strategic place. Still, no responsible government will allow its general feelings about the Middle East to get in the way of its specific obligations to Lebanon. That must be the priority.

No matter what unfolds in Lebanon, it is clear that Israel and the United States have reached a very troubled place. The difficulty is not merely that the Israelis, again, have embarrassed America in the eyes of friendly Arab regimes by the extravagant use of their military advantage. That is true, but honesty compels the offsetting admission that Israel was doing a nasty job that almost every other nation, including the United States, wanted done but did not have the heart to do. Most of the regimes in whose eyes the United States was embarrassed by Israel last week were scarcely embarrassed at all, as they should have been, by the years of Palestinian and Syrian abuse of prostrate Lebanon.

THE WASHINGTON POST

Other Editorial Opinion

From the Blood of Martyrs

Sanguis martyrum, semen christianorum. "The blood of the martyrs is the seed of Christians," went the saying in the early centuries. Perhaps the Palestinian nation indeed did not exist a quarter of a century ago. The fact is that it exists today, and that, like many another, it was born primarily of suffering, frustration and a determination to escape from both, one day.

It is not by crushing this nation that one will have extirpated the hatred that fills it in sight of the arrogance of the momentary victor and the indifference of the rest of the world. This is not the way one leads it to the gesture which, made earlier, would have changed everything: public acceptance at long last of what various PLO officials have admitted for years in private, that is, that it is madness to claim to envisage a peace in that part of the world that does not take the existence of a Jewish state into account.

At present, the magnanimity which in earlier times (notably in 1967) might have opened a way out of the impasse, aside from being scarcely compatible with the temperament of Menachem Begin, might well seem

intolerable to combatants who have drunk humiliation to the dregs. And yet, might not the time have come — after so much blood spilled, so much wealth wasted — to explore at last the path of mutual recognition? Otherwise, who can doubt that after this fifth war there will come another?

— From *Le Monde* (Paris).

Superpowers and Small Wars

A deterioration in Soviet-U.S. relations affects the whole world, and their recovery and improvement are necessary for the prevention and settlement of the minor wars which seem to have increased in number and destructiveness over the past few years.

Without some understanding between the United States and the Soviet Union, the fragile fabric of international law and order begins to fray and tear. Of course, it is even worse if one of the superpowers itself puts its boot through that fabric, as the Russians did in Afghanistan. Many Europeans believe that the clumsiness of American policy is largely responsible for the present disastrous situation in the Middle East.

— From *The Observer* (London).

June 14: From Our Pages of 75 and 50 Years Ago

1907: Naming Newspaper Owners

NEW YORK — Governor Hughes has signed a bill requiring newspapers to publish daily, after July 1, on the first page or at the top of the editorial page, the name and address of the proprietor, or, in case of a corporation, the name and address of the president, treasurer and secretary. It is believed that if tested in court the law will be declared unconstitutional, for a similar statute has been passed in some of the other states, which the courts have declared null. It is supposed to be aimed at such newspapers as Mr. William Randolph Hearst's, which avoid lawsuits by concealing their ownership under various subsidiary corporations, but the bill affects all newspapers.

1932: Big Soviet Oil Deposits

MOSCOW — Discovery of the world's largest oil deposits, expected to make the Soviet Union the leading producer and exporter, has been announced in Sverdlovsk. Researches have revealed three new oil regions, each equal in size to the present Caucasian fields. The most recent discovery was at Bashkiria, where deposits are estimated at hundreds of millions of tons. This area is a continuation of deposits previously investigated farther north in the region of the Emba River. The third district is Utkinsk, in the northern Urals. The three discoveries form an almost continuous oil belt conveniently near the great new Soviet industrial developments, thus releasing the Caucasian output for export.

INTERNATIONAL Herald Tribune, MONDAY, JUNE 14, 1982

Out of Lebanon's Ruins

An Imaginative Solution for the Middle East, Now

By Nadav Safran

CAMBRIDGE, Mass. — Historians will long argue about the particular causes and justice of the Lebanon war, but statesmen must undertake right away to mold a more hopeful future out of the conditions created by the war. American leaders bear a particular responsibility in this respect.

The roots of the war go back to the breakdown of the Lebanese state and society under the impact of the tremors of the wider Arab-Israeli conflict, and especially its Palestinian component.

The remedy of the situation must address both problems at once. If so happens that the conditions that favor a settlement of the

Lebanon problem now also open up serious new possibilities for advancing a settlement of the Palestinian question, provided they are imaginatively exploited.

The possible destruction of the political and military power of the PLO in Lebanon, the weakening of the Syrian presence and the positions held by Israel make possible the restoration of the unity, sovereignty and independence of Lebanon.

However, if such a restoration is to be viable it must safeguard the rights of all the Lebanese communities, including the half a million Palestinians who have lived

there for 35 years and for the most part have nowhere else to go. It must also safeguard the legitimate security interests of Syria against attack from the western approach to Damascus, and of Israel against attack or harassment from any part of southern Lebanon.

Such a restoration would require the following elements:

• Formation of a provisional national government representing all factions, which would immediately proclaim the neutrality of Lebanon and conclude a peace treaty with Israel on the basis of international boundaries.

• International guarantees of Lebanon's neutrality.

• Withdrawal of all foreign forces from the country.

• Election of a constituent assembly to work out a new constitution ensuring the rights of all elements of the population.

• International assistance in the creation of a small Lebanese national army, and in the reconstruction of the country.

The defeat of the PLO and the weakening of Syria, even if temporary, would also remove threats that had contributed to deteriorating Jordan and the Palestinians of the occupied areas from participating in the Camp David process, and the Saudis from supporting it.

Israel had another military triumph, but didn't know what to do with the rubble. Iraq, recently dreaming of the conquest of Iran and Tehran, was calling for a cease-fire to save Baghdad. Argentina's military garrison was trapped in the Falklands, relying on the prayers of the pope.

President Reagan was back at Camp David, insisting that his mission to Europe had been a "great success." He had tried to stop the Argentine invasion of the Falklands and had been ignored.

Prime Minister Menachem Begin of Israel didn't even give him a chance to stop the invasion of Lebanon, but will be coming to Washington in a few days to ask the United States to help him deal with the consequences.

Paradoxically, the situation is now so bad that Reagan may have a chance — to use his favorite phrase — for a "new beginning."

The efforts to avoid war from the top of the big governments have been such a failure that the people who have to fight them have taken to the streets demanding "a new beginning" from the bottom.

Half a million of them in New York City crying for an end to war and the nuclear arms race; 300,000 rallying to the pope's appeals for peace in Argentina. It is almost enough to make Reagan wonder at Camp David whether there wasn't something to Jimmy Carter's Camp David "peace process" and his strategic arms control treaty.

The situation is not hopeless.

Washington understands that Israel could not tolerate indefinitely the use of southern Lebanon as a launching pad for rockets and terrorists against its people. Reagan is not opposed to Begin's use of force in self-defense, but thinks the force used was excessive. Oddly, Reagan seems even more resentful of Begin's bad timing and bad manners, which rather spoiled what the president hoped would be his triumphant tour of Europe.

Nevertheless, the Israelis, with their usual military skill but at tremendous cost in human life, have swept over the battlefield, avoided a major ground war with Syria and opened up the possibility of negotiations for the restoration of an independent Lebanon, free of all foreign troops, and reconsideration of the Palestinian problem.

Officials in Washington recognize that this will be a daunting process, but they believe there may still be a chance. Even the Arab leaders see no future in going back to the status quo, with an amputated and paralyzed Lebanon dominated by PLO terrorist and foreign armies, supplied on the Syrian side by Moscow and on the Israeli side by Washington.

Reagan would make for neutral determination of satisfactory compliance with the conditions for movement from one stage to another in case of disagreement.

Would Prime Minister Menachem Begin agree to such an approach? The answer is uncertain.

Much will depend on the extent to which the United States uses the leverage it will command in the next weeks and months — when Israel will be under enormous international pressure to pull out from Lebanon quickly and when its economy would be strained by mobilization — to advance the program.

In any case, precisely because of the possibility that Begin's position may actually harden, it is imperative that the United States should express its disconnection from that position in the positive form of a fair and practical vision of peace.

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The writer, a Palestinian, teaches European intellectual history at Georgetown University. He contributed this comment to the Los Angeles Times.

A Pattern, Slaughters, History

By Hisham Sharabi

WASHINGTON — Israel's action against the Palestinians in Lebanon is part of a larger pattern that includes the Palestinians under Israeli occupation. In Gaza and the West Bank they have been subjected to systematic persecution and deprived of their national and human rights. Electrified leaders and intellectuals have been imprisoned, expelled and physically maimed, and cultural institutions dismantled or destroyed.

The Geneva Convention of 1949 defines genocide as the systematic destruction of a society or a national or ethnic group not only by mass killing but also by destruction of homes, confiscation of property, expulsion of people and destruction of social, political and cultural institutions. By this definition, Israeli action against the Palestinians in the West Bank, Gaza and Lebanon may properly be described as genocidal. America is Israel's accomplice and must shoulder the same guilt. Without U.S. military, financial and political support, Israel would have been unable to carry out any of these things, including the invasion of Lebanon.

From the Palestinian point of view, a special responsibility also falls on the Arab states, or rather the rulers of those states. Their failure in 30 years to find a military or political solution to the Palestine problem is compounded by failure now to help the Palestinians in Lebanon.

Israel's invasion has been successful, but it is a short-term success, for with it come many more problems than it solves. Colonial wars in the 20th century have taught one basic lesson that Israel and its American backers seem to have forgotten:

Military victories do not yield political solutions, as the French in Algeria and the Americans in Vietnam learned at great cost and sorrow. The writer, a Palestinian, teaches European intellectual history at Georgetown University. He contributed this comment to the Los Angeles Times.

We're Winning, the PLO Man Said

By Julie Flint

BEIRUT — It was the fifth day of Israel's invasion of Lebanon. Palestinian camps were being bombarded in Beirut. The city was panic-stricken.

The Palestinian district of Fakhani, nerve center of the PLO, was deserted but for gunmen who inspected every car, checked every piece of paper. The rare cars crept along with their lights off.

In a brightly lit Fakhani basement, the temporary site of the Palestinian news agency WAFA, a young man said: "We're winning. Everybody has the feeling we're winning." The assertion seemed incredible.

But in every Palestinian office the story was the same.

"Begin almost made it," said a Palestinian intellectual and university professor. "But he overreached himself. The whole strategy was too much. The generals carried him away. It's like Hitler going into Russia. It could have worked if it was faster and more terrible. The idea was beautiful."

The Palestinians said their casualties were considerable but acceptable. They said the main result of the Israeli attack had been to break the guerrillas down into smaller units.

"These people are fighting like maniacs for us," a Palestinian leader said. "They know we didn't bring this on."

The Palestinians said their losses were considerable but acceptable. They said the main result of the Israeli attack had been to break the guerrillas down into smaller units.

"You know what happens when you hit a mercenary with a hammer," said a Palestinian strategist. "It breaks up and shatters away. They may control

the roads, but we are all around in the hills. And the Israelis can't take the hills, because a hill need not be a hill of infantry. Begin could have beaten any army but us."

Street battles were still being fought in Sidon four days after the Israeli landed there from the sea. Israel had big pockets along the coastal highway linking Tyre, Sidon and Beirut, but could not move freely along it.

The Palestinians said Israel's intelligence would have been good, but it had not been so dated. Three times bombers hit Beirut's sports stadium, presumably going for an ammunition dump and combat school thought to be in its shadow. The Palestinians said the facilities were there until a few weeks ago.

On June 4 in Fakhani, a PLO man said, the Israelis "bombed a cellar Yasser Arafat used two or three years ago."

The writer, a Beirut-based correspondent for United Press International, and for the New Statesman in London.

The Christians Have Ideology, Party, Military Command

By George F. Will

WASHINGTON — One Sunday last October, a PLO brigade with tanks and artillery staged a mock attack on a Lebanese settlement resembling a fortified Israeli village on the West Bank. This training exercise was evidence of the accelerating evolution of the Palestine Liberation Organization in southern Lebanon into a quasi-state with a conventional army of 15,000 and logistical support from 23,000 Syrians.

The PLO benefited from U.S. diplomacy last spring when Syria put missiles in Lebanon. Only a patch of bad weather prevented Israel from promptly destroying them. Such a shot across the bow of the PLO and Syrian occupation forces in Lebanon might have slowed the slide toward war.

But by the time the weather cleared, President Reagan had sent an entreating letter, soon followed by a special ambassador, to para-

Israel, will be to fill the vacuum. There are three basic options. Two seem improbable, and the third presupposes a rationality and a coherence that are rare among indigenous Lebanese forces.

One option is for the United Nations to expand its peacekeeping presence. But the United Nations, a plaything of anti-Israeli majorities, is not apt to adopt a plan so compatible with Israel's aims.

A second option is a peacekeeping machinery constructed outside UN auspices. But will it do?

France has historic ties to Lebanon, but is not apt to initiate a solution. No first or third volunteers spring to mind.

The third option is to stitch together a fabric of Lebanese sovereignty. Nation-building is a dicey business at the best of times. It is staggeringly so when the society is as invertebrate as Lebanon's now.</p

Reagan Reassured Allies on Peace Issue but Left Doubts on His Ability

By Lou Cannon
Washington Post Service

WASHINGTON — After some early stumbles, President Reagan recovered in the final half of his European odyssey and largely accomplished his major political goal of reassuring the nations he visited that he is not the sort of man who would lead the Western alliance into war.

But, in the manner of his 1980

presidential campaign, Mr. Reagan managed to raise doubts about his capacities and mastery of detail among those who saw him close-up. He also reinforced his image with the huge U.S. press entourage of being an isolated president, surrounded by a cordon of advisers who are afraid to let him loose in public lest he reveal ignorance about administration policies.

For all his problems, Mr. Reagan appeared to have succeeded in taking the international offensive on the peace issue — the central political purpose of his 10-day trip to France, Italy, Britain and West Germany. Over and over again, even as he expressed his loathing of Soviet Communism, Mr. Reagan offered to negotiate with the Russians on reductions of nuclear arms.

On Friday, his final day in Europe before returning to the United States, the president underscored this theme by issuing a carefully worded proposal to exchange missile launch information with the Soviet Union and improve the Washington-Moscow hotline.

The proposal contained some items that have been considered before, but it effectively continued the negotiating theme that Mr. Reagan had established two days earlier in his speech to the Bundestag.

Assessing the German visit, The Washington Post's correspondent in Bonn, Bradley Graham, reported:

"The one occasion when Mr. Reagan was quoted by an administration official was at Bonn, where a summary of his comments to the

press reflected high-level Kremlin authorship, indicate that Moscow no longer sees Mr. Reagan as a simplistic cowboy shooting from the hip with ill-conceived statements. He now appears to be seen as a far more dangerous politician out to inflict maximum damage in the propaganda battle for Western European public opinion."

The harsh Soviet reaction Saturday followed a week of ambivalence by official news organizations. Mr. Reagan's tactic of coupling searing words on the Western quest for freedom with offers to Moscow of steps to reduce the dangers of war apparently confounded Soviet officials. The news organizations paraphrased Mr. Reagan's pronouncements; not once was he quoted directly.

The acrimonious commentaries, including a signed article in Pravda that reflected high-level Kremlin authorship, indicate that Moscow no longer sees Mr. Reagan as a simplistic cowboy shooting from the hip with ill-conceived statements. He now appears to be seen as a far more dangerous politician out to inflict maximum damage in the propaganda battle for Western European public opinion."

The steps included a proposal to exchange more information on missile tests and on the capabilities of strategic weapons, but they were not published here.

Mr. Reagan's adoption of a more moderate stance had started before his European trip when he offered to meet President Leonid I. Brezhnev and then called for a sharp reduction in nuclear arsenals of the two countries to be negotiated at the forthcoming strategic talks in Geneva.

The Russians were skeptical

about Mr. Reagan's altered stance, arguing that it was designed to take the steam out of the anti-nuclear movement in Western Europe and the United States. Yet

the fact that the president seemed to have embraced more moderate positions led some Soviet analysts to voice hopes that what they consider a constructive dialogue with

other NATO leaders was made

available to U.S. reporters. The

summary had the ring of truth to it, for it quoted Mr. Reagan as criticizing the Soviet Union and detente, which he has been doing for at least a decade.

But the speech did not demon-

strate that Mr. Reagan was partic-

ularly effective at close quarters.

Even by the U.S. account, Mr.

Reagan's stump speech was greet-

ed by silence from the other

NATO leaders.

The combination of Mr.

Reagan's unshakable anti-Communism and his lack of sophistication in dealing with complex questions raised questions among some Europeans as to whether his words of peace would be followed by concrete steps?

The Times of London, which was

basically supportive of Mr. Reagan and his themes, found his speech to Parliament "perplexing" because of the absence of practical policies to carry out his moralizing. The Times concluded that it only added to the "confusion among allies, adversaries and members of his own administration" on foreign policy questions.

In London, The Washington Post's correspondent, Leonard Downie Jr., reported that diplomatic sources concluded that British Prime Minister Margaret Thatcher "completely dominated" Mr. Reagan in their talks and made it impossible for him to have any influence on her conduct of the Falklands crisis.

Mr. Reagan's well-written speech to members of Parliament, perhaps the most systematic exposition he has ever given of his anti-Soviet views, won praise for its delivery from middle-of-the-road members of both parties there but was considered as irrelevant by many of the same politicians.

What may have prevailed for

Mr. Reagan in Europe were the

same qualities that carried him

through the 1980 campaign. On

the campaign and in his ceremonial

appearances, Mr. Reagan came

across as a natural man, an one

to genuinely friendly than it was

hard to think of him for all his

reverence for martial heroes, as a

president who would be willing to

launch a nuclear war.

Mr. Reagan made his share of

gaffes along the way. In his radio address to the American people he referred to Italy as a "warm" country instead of "warm." He was so over-scheduled and became so tired that he nodded briefly during his meeting with Pope John Paul II and arrived late at Windsor Castle for a welcome by Queen Elizabeth II. His concluding speech at Bonn struck some as being as simple-minded as it was undoubtedly sincere.

But Mr. Reagan broke through

on a human level, demonstrating

the natural political qualities

which carried him to the presiden-

cy.

"The president turned out to be

a genial man, a walking tribute to

the avoidance of juggling, health-

foods and psychoanalysis," wrote

Frank Johnson in The Times of

London after Mr. Reagan's speech

at Westminster. "It was a privilege

to have him among us."

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the Reagan administration may be possible after all.

Mr. Reagan's tour of Western Europe appears to have again heightened Soviet skepticism. The Pravda commentary said that Mr. Reagan's foreign policy was the "main source of current world tensions" and that this was demonstrated by his speeches in London and Bonn.

Tass said that the speeches

showed Mr. Reagan was "obsessed

by truly boundless imperial ambitions"

and that he "not only rejects

the principle of peaceful coexistence

but also, judging by every

thing, dreams of going down in

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New Set of Armed Men Proudly Roam the Streets of Chad's Battered Capital

By Alan Cowell
New York Times Service

NDJAMENA, Chad — The capital of Chad has begun to return to its own distinctive normality.

There are armed men on the streets, but they are from the rebel forces that took the city last Monday rather than the president's forces that held it before.

The foreign embassies and international organizations that evacuated their offices in the dusty city as the rebels approached began returning by canoe and raft across the Shari River from Cameroon.

There are people running the radio and the ministries and the presidency, although technically Chad has no government at present and those in power by force of arms hold no mandate from the faction-ridden populace.

Characteristically, too, there is apprehension about Col. Moamer Qadhafi of Libya, Chad's northern neighbor. He has long been active in the affairs of this impoverished nation, part of which was annexed by Libya and whose south-

ern region — the only economically viable part of the country — is still seized with factional hostilities reportedly involving Libyan financing.

Over the years, Col. Qadhafi has at one time or another supported most of the factions involved in the country's contorted politics.

Ndjamena is now securely in the hands of Hissene Habré, a former defense minister whose forces were ejected from the capital in 1980 when Libya supported his main foe, President Goukouni Oueddei, in a civil war.

The Libyans, under outside pressure, withdrew from Chad in November to be replaced by an Organization of African Unity peace force. The Libyan withdrawal took place in such haste that, in the ensuing vacuum, Mr. Habré was able to wage a campaign that took him from sanctuaries in Sudan, across hundreds of miles of desert and back to the capital.

His inheritance and his challenge is a ruined city. Mr. Goukouni, who has fled to Cameroon, appealed once again to Col. Qadhafi for

support, but his request this time did not produce a major Libyan intervention.

The commander of the Organization of African Unity peace force in Chad said Friday he had ordered the withdrawal of his troops despite an appeal by Mr. Habré. Maj. Gen. Geoffrey Ejiga said he based his withdrawal orders on instructions from the OAU given before Mr. Habré captured Ndjamena. Gen. Ejiga, a Nigerian, had his first meeting Friday with Mr. Habré.

Withdrawal Orders

The OAU, Gen. Ejiga said, instructed him to begin withdrawing by Friday if Mr. Goukouni refused to accept the African organization's proposals for a political settlement of Chad's long-running civil strife. Although Mr. Habré has since taken over, Gen. Ejiga said he had received no further orders and he was going ahead with the withdrawal.

On Thursday, at his first news conference since the capital fell to his 8,000 guerrillas, called the Armed Forces of the North, Mr.

Habré said he wanted real independence for Chad and termed his opponents "political prostitutes" who have sold out to foreigners.

"We want to put an end to all foreign intervention by all countries because it is not in the interests of the people," he said in a statement that could refer equally to Libya or France, the former colonial power frequently thought to steer events here.

Mr. Habré is trying to avoid diplomatic isolation in Africa and hence wants the African forces to stay both as a deterrent to intervention and as tacit African recognition of the legitimacy of his administration.

The United States, which began moving its embassy back from Fort-Fourneau, Cameroon, on Friday, is not anticipating difficulties in establishing smooth relations with Mr. Habré, who was at one stage supplied with arms by Egypt through bases in Sudan. Egypt was able to supply the weapons because, according to Western diplomats elsewhere in Africa, the United States was renewing Cairo's arsenal.

Mr. Habré conceded that peace had not yet

returned to Chad, a nation where 11 factions have competed for power for many years. He was apparently referring to trouble in the Christian south, where some fear that a tribal war will break out and ruin the country's fragile economic base.

Supporters of Vice President Wadal Karimoune reportedly have been fighting in the south, providing a Christian mirror image of the northern war between Moslem factions.

"Our concern is our preoccupation," Mr. Habré said, "is to achieve peace and reconciliation in this country."

Memories of the war, however, are still fresh. Mr. Habré's forces, who wear red shoulder patches or ribbons to distinguish themselves from other factions in battle, do not seem to feel that the time has come to leave their guns at home.

They stroll around Ndjamena with a motley collection of Soviet and Western-made rifles. They are clad in uniforms that range from Arab robes and red headresses to jungle-striped camouflage.

Mr. Habré's forces have the confidence of the victorious, and their red shoulder patches are symbols of supremacy. The traffic police and immigration officials who recently worked for Mr. Goukouni now wear red shoulder patches of their own to show their new allegiance.

Censorship Is Ordered

KOSSERI, Cameroon (NYT) — The new authorities in Chad have introduced regulations designed to let them censor reports by foreign journalists, according to officials in Chad.

An aide to the country's new ruler said Saturday that reporters who want to transmit articles from Ndjamena will have to submit their dispatches in advance to an official who will read them in the presence of the journalists.

"You have the right to send your story," the spokesman told a Western correspondent. "We have the right to see them to make sure they are correct."

Opposition Sweeps Mauritius Vote Ending 14-Year Labor Party Rule

By Joseph Lelyveld
New York Times Service

PORT LOUIS, Mauritius — The party that has ruled this Indian Ocean island democracy since its independence 14 years ago has been routed so completely in elections that it was left with not a single seat in Parliament.

In a sweep of elections on Saturday, the candidates of the opposition — the Mauritian Militant Movement and its smaller ally, the Mauritian Social Democratic Party — won election in all 60 contested constituencies. The only two members of the new Parliament not belonging to the alliance are representatives of a local party on Rodrigues, an island dependent on 250 miles (400 kilometers) to the east, where the winners ran no candidates.

The vote was a repudiation of the Labor Party and its leader, Sir Seewoosagur Ramgoolam, the 82-year-old prime minister. It brought to power a party that was pledged to limit nationalization under a program of "Socialism with a Mauritian face."

The Mauritian Militant Movement has also promised that its government will be nonaligned and would campaign in international forums such as the Organization of African Unity and the United Nations against the U.S. military presence on the island of Diego Garcia, 1,250 miles away.

Sir Seewoosagur's government had claimed Diego Garcia, a British-owned island that was once administered under the same authority as Mauritius. But it had indicated that it would be satisfied to see the U.S. forces stay for the 43

years remaining on a 50-year lease, if they paid rent.

The Mauritian Militant Movement is pledged to close the harbor of Port Louis to Soviet as well as to U.S. naval vessels. Both countries have used it until now.

The winning alliance drew support from all elements of a polyglot population of one million, nearly 70 percent of whom trace their origins to the Indian subcontinent.

Sir Seewoosagur had hired a political consultant from Massachusetts, Joseph Napolitan, to prepare a series of American-style television commercials.

The prime minister's supporters wore T-shirts that proclaimed:

"Forward with Ram to the Year 2000."

But it appeared that much of the youth vote had been lured by the promise of jobs by the Mauritian Militant Movement and its partners.

Paul Berenger, 37, who has been the driving force of the Mauritian Militant Movement since it was founded in 1969, promised to reassure the 28 parties that were shut out of Parliament by strengthening a constitutional provision guaranteeing a free election every five years.

The Mauritian Militant Movement has also pledged to take the island out of the British Commonwealth.

Anerood Jugnauth, a Hindu lawyer who is the nominal leader of the Mauritian Militant Movement and the next prime minister, raised the possibility during the campaign that the Sir Seewoosagur might be made the first president as a gesture of reconciliation.

The party also plans to amend the constitution to revise a commitment to provide full and immediate compensation in the event of nationalization. But Mr. Berenger said the Mauritian Militant Movement's mandate would not lead it to push its program beyond the cautious goals outlined in the party manifesto.

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"We'll call them in every time we have an election," he said.

Envoyos Visit Tanzania For Talks on Namibia

United Press International

DAR ES SALAAM, Tanzania — Representatives of the Western "contact group" on South-West Africa (Namibia) have arrived here to present new ideas to President Julius K. Nyerere of Tanzania on bringing independence to the South African administered territory.

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Canadair announces yet another breakthrough in the fight against the high cost of jet fuel.



April 10, 1982: First flight of the new GE-powered Challenger 601.

With the introduction of the Lycoming-powered Challenger 600 in 1976, we began an unabashed campaign to wean executive travelers from the cramped, fuel-guzzling aircraft which, until then, had passed for corporate jets.

We were met with an enthusiasm that stunned even us.

Executives whose responsibilities demanded multi-hour jet travel thirty or forty times a year or more were apparently possessed of a desperate inner longing for an alternative to claustrophobia. And here we were, offering an aircraft both wider and more economical than any other intercontinental corporate jet in the world.

With the result that back orders for the Challenger 600 sprouted like the proverbial beanstalk.

At this writing, more than ten 600s are already in service, and over 25 more are in completion centers. More than 6,000 fleet hours have already been accumulated by these aircraft. And more than 30 Atlantic crossings were made during those hours.

And all this, as of the first flight of a new Challenger on April 10, 1982, is only half the story.

Introducing a second Challenger to choose from.

Like the Lycoming-powered Challenger 600, there were those who said the new Challenger 601 would never fly.

It was said, no corporate jet in history had ever combined so much performance with so much fuel economy. It was said, no corporate jet in history had

ever combined such performance and economy with such a wide cabin configuration.

All we said was, it will fly in April, 1982, which it has.

All we're saying now is, the General Electric engine will be certified on schedule in mid-1982. The aircraft will begin serving our customers and causing discomfort to our competitors by late 1983, and, like the Challenger 600, fly you more economically and in greater comfort than any other intercontinental corporate jet in the world.

(The fact is, even far smaller corporate jets with shorter range fail to achieve any meaningful advantage over either Challenger in fuel efficiency. While corporate jets of comparable size can consume as much as 40% to 60% more than a 600 or 601,* depending on trip length.)

Actually, there is one other thing we'd like to say. If you want to find out more about the Challenger family of business jets, the man to speak to is Mr. James B. Taylor, President of Canadair Inc. You can call him at (203) 226-1581, or write him at Canadair Inc., 274 Riverside Avenue, Westport, CT 06880.

In the Mideast business world, TAG Aeronautics Ltd. is the exclusive distributor and representative for Challenger sales and support. For further information, contact Adel A. Oubari, Vice President, TAG Aeronautics Ltd., 14 Rue Charles Bonnet, 1211 Geneva 12, Switzerland. Phone: (022) 46 17 17. Telex: 289 084.

And you might as well know now. The back orders have already started. **canadair
challenger**

BUSINESS / FINANCE

MONDAY, JUNE 14, 1982

Page 9

New Issues on Hold After Heavy Sales

By Carl Gewirtz

PARIS — A wave of selling shattered the Eurobond market last week. The West Germans suspended on Friday the remainder of this month's calendar and declared a two-week hiatus in new issue activity to allow time for the market to digest the surfeit of paper already available.

The dollar sector of the market was equally hard hit, and only two

EUROBONDS

new issues — both floating rate notes — were put on offer.

The very heavy level of sales — going so far as to call it dumping — of dollar Eurobonds over the past two weeks is interpreted by some analysts as more than just a temporary weakness and rather as a signal that the market has entered a new, more subdued phase.

The market has "entered a new cycle," said Hans-Jörg Radloff of Credit Suisse First Boston. The pace of business, which totaled a record of about \$26 billion worth of new issues during the first six months, will now abate to more normal levels, he added.

For him, this means the volume of new issues will be linked to the amount of money coming naturally into the market through payments of interest and principal on outstanding issues — a monthly volume on the order of \$2.5 billion.

The reason for the change is that the unbelievable flow of buying out of Switzerland has run out, said Mr. Radloff.

He said he sees two factors contributing to the diminishing supply of new funds to the bond market: The bulk of the money that had been temporarily parked in short-term deposits has been reinvested in the bond market, and the big switch into the dollar is largely over.

The dollar is too expensive for investors to buy now and, in fact, is so high that it is enticing Europeans and Japanese who have invested in dollars to switch out and pocket some hefty foreign ex-

Eurobond Yields*	
Week Ended June 9	
1st inst. Ig. term US\$	14.64 %
Ind. long term, US\$	14.73 %
Ind. medium term, US\$	14.73 %
French fr. medium term	15.78 %
French fr. medium term	16.24 %
Ind. inst. Ig. term year	16.91 %
ECU medium term	8.10 %
EURO long term	13.68 %
Ind. inst. Ig. term LF	12.20 %
FL long term	11.63 %

* Calculated by the Luxembourg Stock Exchange

Market Turnover	
Week Ended June 11	(Millions of U.S. dollars)
Total	1,000.0
Cedel	8,533.7
Euroclear	7,412.2
	1,121.5
Total	8,001.8
Euroclear	7,342.4
	659.4

Market turnover in billions of dollars

Source: Energy Department

Market turnover in billions of dollars

Source: Energy Department

Market turnover in billions of dollars

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Venezuela Breaks Off Jumbo-Loan Talks; Bankers Cool to Mexican Offering

By Carl Gwertz
International Herald Tribune

PARIS — Latin America, the largest borrower in the Euromarket, is becoming an increasingly large headache for lenders.

In addition to the troubles that bankers anticipate in Argentina's ability to continue financing its \$34 billion in public and private sector Eurocredits, there is now an estrangement between the banks and Venezuela over proposed new lending terms and a chilling reassessment of Mexico's standing in the market.

The proposed jumbo loan for Venezuela, which started life as a \$2.5-billion operation, was cut to

\$2 billion and then to \$1.5 billion. But even at that reduced level, the bankers and the government remained far apart on terms, and over the weekend, Venezuela broke off negotiations. Venezuela's cause comments that it had about \$5 billion deposited with the 20 institutions invited to bid on the deal.

SYNDICATED LOANS

and the implication that these deposits could be shifted to other institutions, sat badly with the bankers.

Another rub was Venezuela's unwillingness to detail to the bankers' satisfaction which short-term obligations would be refinanced with the new medium-term funds.

The government's rejection of the proposals put it at a nine-hour presentation Monday was no surprise. The bankers wanted Venezuela to pay 1/4 point over the London interbank offered rate for seven-year money and 3/4 point over Libor for a three-year loan, substantially more than Venezuela had been paying.

Particularly irritating to the Venezuelans was the proposal that

they offer to price over the more expensive prime rate, with the margins set a quarter-point lower than on the Libor-based offer.

Discussions over the following two days led to Venezuela's proposal to reduce the amount to \$1.5 billion. It said it wanted half for eight years and offered to pay a spread of 3/4 point over Libor for eight-year money.

The government also offered to pay 3/4 point over Libor for the three-year loan coupled with a management fee of 1/4 percent. The banks had been seeking a management fee of 1 percent on the medium-term loan and 3/4 percent on the three-year operation.

The bankers said that they would be unable to syndicate such a large loan at those terms.

There is also considerable distress being expressed by bankers at what they describe as the catastrophic syndication of Mexico's \$2.5-billion jumbo loan.

Initially, bankers were delighted

in agreeing to sharply stiffened borrowing terms. Mexico is being asked to pay 1 point over Libor for three-year funds (or a quarter-point less if priced over the prime rate). A year ago, Mexico was paying a split 3/4 point over Libor for eight-year money.

As for Argentina, bankers are expected this week to freeze for another month the \$200-million loan they had put together for the Buenos Aires electricity utility Segpa, which had been completed but not signed when the dispute over the Falkland Islands erupted.

The loan is expected to be divided equally between prime and Libor pricing. Terms call for interest to be set at 3/4 point over Libor for 10 years, unchanged from the very low level set earlier. Interest on the other portion, which will run for only eight years, will be set at the

absence of participants is a sign that banks are just full up on Mexican exposure, and only a quantum leap in margins to the Brazilian level of two points could induce a widening in the banks' lending

borrower, up from 3/4 point paid previously.

In the Far East, Malaysia has decided to tap the market for \$1 billion — the largest single credit ever raised for an Asian borrower.

For the first time, Malaysia will offer lenders the choice of pricing over the prime rate — a necessary sweetener for such a large loan.

The loan is expected to be divided equally between prime and Libor pricing. Terms call for interest to be set at 3/4 point over Libor for 10 years, unchanged from the very low level set earlier. Interest on the other portion, which will run for only eight years, will be set at the

higher of either 3/4 point over the prime rate or 1.2 percentage points over the adjusted rate for 90-day certificates of deposit.

Up to \$150 million of the Libor portion of the loan may be shifted to a so-called tax-spared basis when British authorities clarify the new rules for debts based on the double-taxation agreements Britain has with some countries. The interest on this portion would be set at a narrow 1/32 point over Libor.

In Europe, Sweden's loan has been increased \$300 million to a total \$1.1 billion, up from the \$500 million originally announced as a

result of its structure offering pricing over the prime rate or certificate of deposit rates. Interest on the new tranche will be set at 3/4 point over Libor for seven years. If lenders extend for an additional three years the margin rises to half a point over Libor.

The Soviet Union is expected to tap the market for 100 million Deutsche marks to finance the purchase of West German goods, which bankers said were not related to the gas pipeline. Interest on the seven-year credit is expected to be set at 3/4 point over the interbank rate, up sharply from the 1/4 point margin it had been paying for dollars.

Gold Options (prices in \$/oz.)			
Price	Aug.	Nov.	Feb.
320	1250-1450	—	—
350	750-1050	19,50-22,50	22,50-25,50
375	—	—	—
400	120-250	8,00-11,00	10,00-13,00
410	—	4,00-6,00	6,00-11,00

Gold 2250-3250

Valeurs White Weld S.A.
1. Ouest du Mont-Blanc
1211 Geneva 1, Switzerland
Tel. 31 0251 - Telex 28305

The Notes having been sold, this announcement appears as a matter of record only.

June 10, 1982

\$60,000,000

Texas Eastern Finance N.V.

15 3/4% Guaranteed Notes Due 1989

Guaranteed as to Payment of Principal, Premium, if any, and Interest by

Texas Eastern Corporation

Dillon, Read Overseas Corporation

Swiss Bank Corporation International Limited

Banque Nationale de Paris

County Bank Limited

Crédit Lyonnais

Deutsche Bank

Aktiengesellschaft

IBJ International Limited

Kredietbank International Group

Orion Royal Bank Limited

Union Bank of Switzerland (Securities) Limited

S. G. Warburg & Co. Ltd.

Alahli Bank of Kuwait K.S.C.C.

Algemene Bank Nederland N.V.

Amro International Limited

Banka del Gottardo

Arab Bank Investment Company Limited

Arnhold and S. Bleichroeder, Inc.

Julius Baer International Limited

Bank Gutwille, Kurs, Bungener (Overseas) Limited

Bank Mees & Hope NV

Banque Bruxelles Lambert S.A.

Bank Générale du Luxembourg S.A.

Banque Indosuez

Banque Internationale à Luxembourg S.A.

Banque de Neufville, Schlumberger, Mallet

Banque de Paris et des Pays-Bas

Banque Populaire Suisse S.A. Luxembourg

Banque Privée de Gestion Financière

Banque Worms

Barclays Bank Group

Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft

Bayerische Vereinsbank Aktiengesellschaft

Bear, Stearns & Co.

Berliner Handels- und Frankfurter Bank

Cazenove & Co.

Chase Manhattan Capital Markets Group Chase Manhattan Limited

Continental Illinois Limited

Credit Commercial de France

Credit Industriel et Commercial

Creditanstalt-Bankverein

Daiwa Europe Limited

Credit Suisse First Boston Limited

Dresdner Bank Aktiengesellschaft

Den norske Creditbank

Dominion Securities Ames Limited

Genossenschaftliche Zentralbank AG Vienna

Girozentrale und Bank der österreichischen Sparkassen

Fuji International Finance Limited

Hambros Bank Limited

Handelsbank N.W. (Overseas) Limited

Goldman Sachs International Corp.

The Hongkong Bank Group

Hessische Landesbank

Hill Samuel & Co. Limited

Kidder, Peabody International Limited

Kleinwort Benson Limited

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

Lazard Frères et Cie

Lehman Brothers Kuhn Loeb International, Inc.

LTCB International Limited

Merck, Finck & Co.

Merrill Lynch International & Co.

Mitsubishi Bank (Europe) S.A.

Morgan Grenfell & Co. Limited

Morgan Guaranty Ltd

The Nikko Securities Co. (Europe) Ltd.

Nomura International Limited

Norddeutsche Landesbank Girozentrale

Pierson, Heldring & Pierson N.V.

L. F. Rothschild, Unterberg, Towbin

Salomon Brothers International

Schröder, Münchmeyer, Hengst & Co.

J. Henry Schroder Wag & Co. Limited

Skandinaviska Enskilda Banken

Slavenburg's Bank N.V.

Société Générale

Société Générale de Banque S.A.

Strauss, Turnbull & Co.

Svenska Handelsbanken

Union de Banques Arabes et Françaises—U.B.A.F.

Verband Schweizerischer Kantonalbanken

Vereins- und Westbank Aktiengesellschaft

J. Vontobel & Co.

Westdeutsche Landesbank Girozentrale

Dean Witter Reynolds Overseas Ltd.

Wood Gundy Limited

Yamaichi International (Europe) Limited

Published every Monday, this is a compilation of senior positions published in the INTERNATIONAL HERALD TRIBUNE and other selected publications. Comments concerning this feature can be addressed to Juanita Caspari in Paris.

POSITION	SALARY	EMPLOYER	LOCAT.	QUALIFICATIONS	CONTACT	Source
GENERAL MANAGER		Int'l Company.	London	SS, exp. managing ca. 10 m. \$ eq'ts; prof. exp. packaging paper or fine chemicals; English, French & Spanish or Italian.	P.A. Management Consultants S.A., At: Louis 386, Brussels, Tel. (02) 56465555, Ref. A/1438 ST.	LNT. 1-4-32
SECURITY + COMMODITY INV. EXECUTIVES		Shearson American Express.	Brussels	Security + Commodity investment executives w/banking or brokerage exp.	Shearson/American Express Inc., 3600 Mt. Avenue, Box 1, 1050 Brussels.	LNT. 1-4-32
GENERAL MANAGER		General sales, U.S. Co. (franchising & auto. retail).	Germany	Manager, Mgmt. German/English.	Int'l World Finance, Box 1757, Friedstrasse, 15, 6000 Frankfurt/Main, W. Germany.	LNT. 1-4-32
NEW ISSUES MANAGER	ca. U.S. \$70,000 tax free	Middle East Bank.	London	Prof. business/banking qualifications + sound technical knowledge capital markets.	Ref. ED 1058/4, Mr. G.E. Vaz, M.S. Middle East, 52 Grosvenor Gardens, London SW1X 8AN, England. Tel. 01-730 0255	LNT. 5-8-32
MANAGING DIRECTOR		American Corp. (

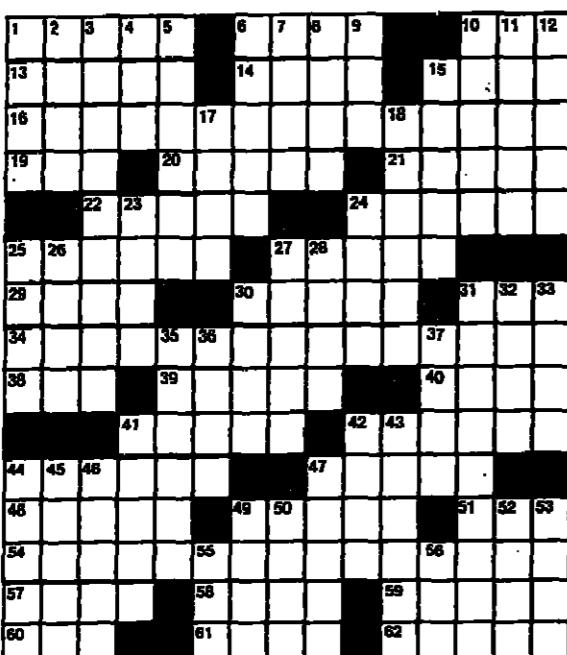
International Bond Prices - Week of June 10

Provided by White Weld Securities, London, Tel: 623 1277; a Division of Financiere Credit Suisse - First Boston

(Continued from Page II)

Amt	Security	Middle Conv.	Conv. Pr.	Conv. Yield	Curr. Conv.	Price Period	P/S/H	Prem. Shrs	Amt	Security	Middle Conv.	Conv. Pr.	Conv. Yield	Curr. Conv.	Price Period	P/S/H	Prem. Shrs	Amt	Security	Middle Conv.	Conv. Pr.	Conv. Yield	Curr. Conv.	Price Period	P/S/H	Prem. Shrs
\$20	Kidd Water Pfd	79 1/2	105 July	6.31 5.59	72.02	5.50			58	Physical-Chemical	37.38	1 Jan 87	5.25 3.74	64.85	3.38			50	Xidex Int'l Pfd	34.48	10 Dec 80	5.10	100	104	100	
\$20	Lear Petrol Lec	42.88	55 1/2	105 July	121 1/2	16.65	.70		510	Reynolds Capital	64.2	15 Jul 72	6.15 4.77	126.70				507	Colpco Pfd	29	100	102	100	100	100	
\$45	Lear Petrol Lec	33.06	55 1/2	105 July	121 1/2	16.65	.70		511	Reynolds Capital	64.2	15 Jul 72	6.15 4.77	126.70				508	Colpco Pfd	29	100	102	100	100	100	
\$20	Lear Petrol Lec	33.06	55 1/2	105 July	121 1/2	16.65	.70		512	Reynolds Capital	64.2	15 Jul 72	6.15 4.77	126.70				509	Colpco Pfd	29	100	102	100	100	100	
\$15	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			513	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			510	Colpco Pfd	29	100	102	100	100	100	
\$40	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			514	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			511	Colpco Pfd	29	100	102	100	100	100	
\$20	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			515	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			512	Colpco Pfd	29	100	102	100	100	100	
\$20	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			516	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			513	Colpco Pfd	29	100	102	100	100	100	
\$20	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			517	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			514	Colpco Pfd	29	100	102	100	100	100	
\$20	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			518	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			515	Colpco Pfd	29	100	102	100	100	100	
\$20	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			519	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			516	Colpco Pfd	29	100	102	100	100	100	
\$20	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			520	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			517	Colpco Pfd	29	100	102	100	100	100	
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\$20	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			522	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			519	Colpco Pfd	29	100	102	100	100	100	
\$20	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			523	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			520	Colpco Pfd	29	100	102	100	100	100	
\$20	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			524	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			521	Colpco Pfd	29	100	102	100	100	100	
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\$20	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			526	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			523	Colpco Pfd	29	100	102	100	100	100	
\$20	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			527	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			524	Colpco Pfd	29	100	102	100	100	100	
\$20	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			528	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			525	Colpco Pfd	29	100	102	100	100	100	
\$20	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			529	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			526	Colpco Pfd	29	100	102	100	100	100	
\$20	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			530	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			527	Colpco Pfd	29	100	102	100	100	100	
\$20	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			531	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			528	Colpco Pfd	29	100	102	100	100	100	
\$20	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			532	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			529	Colpco Pfd	29	100	102	100	100	100	
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\$20	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64	42.92	2.0			534	Reynolds Int'l	22.29	8 1/2 1982	4.21 3.26	51.65	5.67			531	Colpco Pfd	29	100	102	100	100	100	
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\$20	Ultimate Int'l 12.41	81 1/2	105 Aug	5.30 5.64																						

CROSSWORD



ACROSS

- 1 Heavenly messenger
- 2 D.C. agents
- 3 Bandleader
- 4 Designer
- 5 Comstock
- 6 Ending with divorce or engage
- 7 "Civilization" opener: 1947
- 8 Chemical suffix
- 9 Unpleasant
- 10 Passenger
- 11 Checks
- 12 Run-in
- 13 Archeologist's finds
- 14 Exhausted
- 15 Greek letter
- 16 Glaswegian nobleman
- 17 Work of
- 18 Eddie Cantor
- 19 Riv. boat
- 20 Impels
- 21 Primates
- 22 In line for a fine
- 23 Causes
- 24 Hollandaise and souffle

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- 5 Brezhnev
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- 7 Blanc
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- 9 Modernist
- 10 Affords for a while
- 11 Actress
- 12 Georgia
- 13 Dewy
- 14 Roared
- 15 Dewy
- 16 Prohibits
- 17 Pyrite and stibnite
- 18 "Godfather" star
- 19 Part of Q.E.D.
- 20 Type of sandwich
- 21 Rialto sign
- 22 Form ever
- 23 Sullivan
- 24 Lat.
- 25 Poses
- 26 Angry fan's sound
- 27 Indulged fully
- 28 Drudgery
- 29 Theater section
- 30 Defamation
- 31 Cambodian coin
- 32 Hardy heroine
- 33 Wood used for mallets
- 34 Wood for
- 35 Wood used for mallets
- 36 Hardy heroine
- 37 Record
- 38 Dried plum
- 39 River
- 40 Lake Ilimen
- 41 At a distance
- 42 Wander
- 43 Unique object or person
- 44 Pile of bills
- 45 Is-a

WEATHER

	HIGH	LOW		HIGH	LOW		
ALGARVE	C	F	Cloudy	LOS ANGELES	C	F	
ALPS	22	22	Fair	MADRID	25	70	Cloudy
AMSTERDAM	22	22	Fair	MANILA	25	95	Cloudy
ANKARA	22	22	Fair	MEXICO CITY	21	70	Cloudy
ATHENS	22	22	Fair	MIAMI	21	70	Cloudy
BAKU	22	22	Fair	MILAN	22	72	Cloudy
BANGKOK	22	22	Fair	MOSCOW	22	72	Rain
BEIRUT	22	22	Fair	MONTREAL	22	72	Rain
BELGRADE	22	22	Fair	MUNICH	22	72	Rain
BERLIN	22	22	Fair	NAIROBI	22	72	Rain
BOSTON	22	22	Fair	NASSAU	22	72	Rain
BRUSSELS	22	22	Fair	NEW DELHI	22	72	Rain
BUCHAREST	22	22	Fair	NEW YORK	22	72	Rain
BUDAPEST	22	22	Fair	NICE	22	72	Rain
BUREAS	22	22	Fair	OSLO	22	72	Rain
CAIRO	22	22	Fair	PARIS	22	72	Rain
CAPE TOWN	22	22	Fair	PEKING	22	72	Rain
CASABLANCA	22	22	Fair	PRAGUE	22	72	Rain
CHICAGO	22	22	Fair	REYKJAVIK	22	72	Rain
COPENHAGEN	22	22	Fair	RIO DE JANEIRO	22	72	Rain
COSTA DEL SOL	22	22	Fair	SAO PAULO	22	72	Rain
DAMASCUS	22	22	Fair	SEOUL	22	72	Rain
DUBLIN	22	22	Fair	SINGAPORE	22	72	Rain
EDINBURGH	22	22	Fair	SHANGAI	22	72	Rain
FLORENCE	22	22	Fair	SINGAPORE	22	72	Rain
FRANKFURT	22	22	Fair	SOMALIA	22	72	Rain
GENEVA	22	22	Fair	SYDNEY	22	72	Rain
HANOVER	22	22	Fair	TAIPEI	22	72	Rain
HELSINKI	22	22	Fair	TEL AVIV	22	72	Rain
HONG KONG	22	22	Fair	TOKYO	22	72	Rain
HOUSTON	22	22	Fair	VIENNA	22	72	Rain
JERUSALEM	22	22	Fair	VIENNA	22	72	Rain
LAS PALMAS	22	22	Fair	WARSAW	22	72	Rain
LIMA	22	22	Fair	WASHINGTON	22	72	Rain
LISBON	22	22	Fair	ZURICH	22	72	Rain
LONDON	22	22	Fair				

Readings from the previous 24 hours.

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(Answers tomorrow)

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Answer: What the bull hated to be—"COWED"

Print answer here: _____

(Answers tomorrow)

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LANGUAGE

On Middle Initials

By William L. Safire

NEW YORK — If you join the Army and do not have a middle initial, the Army will give you three: "N.M.I." standing for "No Middle Initial." You then get to know yourself as Doe, Joe, N.M.I.

"It's important to note that nothing is missing," explains Army spokesman Gerald W. Headley. "Most people have middle initials. 'N.M.I.' would clarify that there is no omission."

David J. Rosenbaum, an editor in UPI's Trenton bureau, denigrates them for another reason: "I'm strongly opposed to using middle initials when it is perfectly clear who is being referred to. What difference does it make that Gov. Thomas Kean's middle initial is 'H.'? The rule should be: Does it inform, distinguish, entertain, or illuminate? If it doesn't, it doesn't belong — toss it." He adds that this is his own opinion and not UPI style.

One narrow question I posed was: Should newspapers include the middle initial of famous people, as in "Margaret H. Thatcher"? The overwhelming response: No. "Why? The better to distinguish her from Margaret M. Thatcher," demands Frederic C. Marston of New York, who sees a sinister trend in some states of using plain old Cyrus Vance to Alexander M. Haig Jr. Says Marston: "The less, the better. Just as 'U.S.' is better than 'U.S.A.' so, too, will 'Margaret Thatcher' do."

Rewards of Fame

I agree: newspaper style should eschew the M.I. in the names of the most famous, unless the middle letter is so euphonious as to make the name seem naked without it. Under that rule, the M.I. stays in Robert E. Lee and Ulysses S. Grant (whose name was originally Hiram Ulysses Grant, but the acronym struck his elders as silly) and is removed from Winston S. Churchill, Albert Einstein was too smart to have a middle initial. When names are less well known, reporters should use the M.I.

The broader question of initializing was also addressed (and stamped and mailed) by nonjournalistic readers: Who needs that



middle name, anyway? Richard Nixon, upon becoming president, dropped "Milhous"; Ronald Reagan dropped his W. (for Wilson) when he entered the White House. Recent Democratic presidents go the other way: F.D.R., H.S.T., J.F.K. and L.B.J. all made good use of the M.I., until Jimmy Carter did away with all formality.

That's one of the keys: formality. An M.I. lends dignity. Some people resist this: "The use of a middle initial in one's own name makes the name sound less original, less distinctive," writes Judith Kirk of Amherst, Maine. "It sounds like a formula we mutter mindlessly because it has a certain rhythm." But others recognize the sonorous or serious nature of a name with an M.I.: Ed Murrow knew what he was doing by signing off as Edward R. Murrow.

Personal Privacy

Proponents of the M.I. add this note: Nobody has to know what the letter stands for. "The middle initial is one of the last vestiges of personal privacy in an overbearing world," says Will C. Long of Hillsborough, N.H. I always avoided giving my schoolmates my middle name when they asked what the "L" was for, because it stands for "Lewis" and I didn't like being called "Louie." I have since dropped the M.I. except in today's place where it seemed fitting.

With the rise of women in the executive work force, the middle initial is giving way to the full maiden name (though a few insatiable reject "maiden name" as sexist). Attorney Carolyn Hill of Oklahoma City observed that for many years businesswomen put down businesswomen by refusing to accord them middle initials: she insisted on "Carolyn G. Hill" until recently, when she began to use her full name, Carolyn Gregg Hill, because "as much as I loved and respected my husband, my accomplishments and failures have been exclusively my own."

My initial advice is to use a middle initial, or even an initial initial (as in Q. John Public) if you are having an identity crisis. "My name is so common," writes John William Smith of Birmingham, Mich., "that it makes little difference what I call myself." But he has the solution in the next generation: "I plan on naming my son Igor Buxthoeven Smith, after two of my favorite musicians." Only if the kid becomes world famous will he drop the "B."

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